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SSO-00 /069 W

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O R 121055Z MAR 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 3548

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

USDAO SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY COTONOU

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PHNOM PENH

AMEMBASSY STOCKHOLM

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CINCPAC FOR POLAD

DEPARTMENT PASS IMMEDIATE IBS/NCA

E.O. 11652: GDS
TAGS: PINR PINS PINT MILI VS PFOR JA
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR MAR 6 - 12, 1975

WEEKA ITEMS

--THE MILITARY SITUATION

--AN QUANG ASK GREAT POWERS TO CEASE AID TO VIETNAMESE BELLIGERANTS

--GVN ANNOUNCES IT HOLDS NO POLITICAL PRISONERS

--TRAN VAN TUYEN ELECTED PRESIDENT OF THE BAR

--GVN TEMPERS HOA HAO TENSIONS

--RVN LOWER HOUSE MEMBERS TO VISIT US

--PRIME MINISTER DEFUSES CONFRONTATION WITH CAMBODIANS IN VINH BINH

--PRES THIEU MEETS WITH JAPANESE NEWSMEN

--ANOTHER CONGRESSIONAL VISIT

--GVN PROTESTS ATTACK ON BAN ME THUOT

--GVN REACTION TO JAPAN-DRV AGREEMENT ON OPENING EMBASSIES

--PIASTER RATE ADJUSTMENT

--PRIVATE AGRICULTURE BANK OPENS
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--WORLD BANK TEAM DUE IN SAIGON

--RETAIL PRICE INDEX UP

--DOLLAR AND GOLD UP SLIGHTLY

I. INTERNAL

A. THE MILITARY SITUATION

THE SITUATION CHANGED DRAMATICALLY THIS WEEK, AS COMMUNIST-INITIATED MILITARY ACTIVITY ROSE MARKEDLY COUNTRYWIDE. THE INITIAL IMPACT OF WHAT IS CLEARLY THE START OF THE NORTH VIETNAMESE SPRING OFFENSIVE WAS MOST SHARPLY FELT IN MR-1 AND MR-2. IN THE FORMER, THE INTENSE NVA/VC ATTACKS HAVE LED TO OVER 1200,000 NEW REFUGEES FROM THE TWO MOST NORTHERN PROVINCES (QUANG TRI AND THUA THIEN) OVER THE PAST SEVERAL DAYS (SEE SAIGON 2723 AND 2724 NOTAL). THE COMMUNIST OFFENSIVE IN MR-2 BEGAN MARCH 4-5 WITH COORDINATED ATTACKS AGAINST THE MAIN LOCS BETWEEN THE COAST AND THE CENTRAL HIGHLANDS, AND THE ROAD FROM PLEIKU TO BAN ME THUOT IN DARLAC PROVINCE. THIS WAS FOLLOWED BY MASSIVE NVA/VC ATTACKS IN QUANG DUC (MARCH 9) AND AGAINST BAN ME THUOT (MARCH 10). DUC LAP TOWN IN QUANG DUC HAS FALLEN AND THE BATTLE FOR BAN ME THUOT CONTINUES. ALTHOUGH THERE WERE HEAVY COMMUNIST ATTACKS IN MR-3 REGISTERING THE GREATEST NUMBER OF INCIDENTS SINCE THE FALL OF PHUOC LONG, AS WELL AS THE FIRST ROCKETING OF BIEN HOA AIR BASE IN FIVE WEEKS, THE GVN EXPECTS THAT THE FULL BRUNT OF THE NEW COMMUNIST CAMPAIGN IN REGION 3 LIES AHEAD.

B. AN QUANG ASK GREAT POWERS TO CEASE AID TO VIETNAMESE BELLIGERENTS

AN QUANG HIGH SECULAR COUNCIL (HSC) RECTOR THICH TRI THU HAS SIGNED OPEN LETTER DATED MAR 1 TO SUPPLIERS OF MILITARY AID TO VIETNAMESE PARTIES APPEALING TO THEM TO STOP THEIR AID, UNILATERALLY IF NEED BE. PREVIOUS AN QUANG PRONOUNCEMENTS ON THIS SUBJECT HAVE BEEN LESS FORMAL AND SOMEWHAT EQUIVOCAL. HSC SECY GEN THICH QUANG DO HAS TOLD US LETTER ALREADY SENT, IN ENGLISH AND VIETNAMESE, TO PRESIDENT FORD AND TO RUSSIANS AND CHINESE. CONFIDENTIAL

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ENGLISH VERSION OF AN QUANG LETTER SAYS, "NO REASON CAN JUSTIFY THE CONTINUATION OF MILITARY AID," GOES ON TO STATE, "IT IS BOTH ILLEGITIMATE AND INHUMAN FOR THE ONE GOVERNMENT TO CONTINUE MILITARY (SIC) WITH THE REASON THAT THE OTHER GOVERNMENT HAS NOT STOPPED DOING SO." (NOTE: VIETNAMESE VERSION OMITTS WORDS "AND INHUMAN".)

AN QUANG LEADERS DID NOT TALK WITH RECENT SIX-PERSON CODEL, APPARENTLY HAVING WAITED IN VAIN FOR PHONE CALL FROM HEAVILY-SCHEDULED REPRESENTATIVES. OPEN LETTERS PROBABLY MOVE TO PUT AN QUANG ON RECORD RE MILITARY AID AFTER HAVING MISSED CHANCE TO DO SO DURING CODEL STAY.

WE UNDERSTAND THICH THIEN MINH FACTION WITHIN HSC DID NOT

PARTICIPATE IN DECISION TO SEND LETTER, THIS ACTION HAVEING BEEN
TAKEN BY TRI QUANG FACTION, TO WHICH RECTOR TRI THU BELONGS.

C. GVN ANNOUNCES IT HOLDS NO POLITICAL PRISONERS

GVN MINISTRY OF INTERIOR ON MARCH 8 ISSUED A COMMUNIQUE
ANNOUNCING THAT IT HAS NOT DETAINED ANY UNIVERSITY OR HIGH
SCHOOL STUDENTS FOR THEIR POLITICAL ACTIVITIES SAYING ANY
ARRESTS WHICH HAVE BEEN MADE WERE FOR VIOLATIONS OF THE COMMON
LAW. THE COMMUNIQUE REPEATED AN EARLIER ANNOUNCEMENT THAT THE
GOVERNMENT DOES NOT HOLD ANY POLITICAL PRISONERS.

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SSO-00 /069 W

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O R 121055Z MAR 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 3549

INFO AMEMBASSY BANGKOK

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AMCONSUL CAN THO

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D. TRAN VAN TUYEN ELECTED PRESIDENT OF THE BAR

TRAN VAN TUYEN, PEOPLE'S SOCIETY BLOC LEADER IN THE LOWER HOUSE AND PROMINENT OPPOSITION LAWYER, WAS ELECTED PRESIDENT OF THE SAIGON BAR ASSOC MAR 9. HE GATHERED 202 VOTES, 25 MORE THAN THE 177 NECESSARY FOR ELECTION. GOVERNMENT-CONTROLLED NEWSPAPER QUAT CUONG ALLEGED THAT SEVERAL PROMINENT LAWYERS VOICED SOME MISGIVINGS ABOUT HOW TUYEN WOULD PERFORM, CHARGING THAT TUYEN'S POLITICAL AMBITIONS WOULD LEAD THE BAR INTO POLITICS.

TUYEN, IN A SPEECH FOLLOWING HIS ELECTION, PLEDGED THAT HE WOULD LEAD THE BAR ON AN INDEPENDENT COURSE, NOT INTO THE POLITICAL ARENA, AND WOULD ENDEAVOR TO INCREASE THE BAR'S PROFESSIONAL PRESTIGE. HE SAID THE BAR WOULD SERVE THE INTERESTS OF THE PEOPLE. IN A MOVE THAT IS PERHAPS REVEALING OF THINGS TO COME, TUYEN FILED A PETITION MARCH 8 WITH THE SAIGON PROSECUTOR'S OFFICE TO BRING LEGAL ACTION AGAINST GOVERNMENT OFFICIALS FOR ALLEGEDLY ASSAULTING SEVERAL OPPOSITION DEPUTIES, INCLUDING LADY DEPUTY KIEU MONG THU, AT CAU MUOI MARKET ON FEBRUARY 20.

E. GVN TEMPERS HOA HAO TENSIONS

GVN OFFICIALS MOVED QUICKLY AND EFFECTIVELY TO DIS-
SIPATE TENSION AFTER AN APPARENTLY ACCIDENTAL GRENADE EXPLOSION DURING A HOUSE SEARCH FOR DESERTERS/DRAFT DODGERS IN THOT NOT

(D) AN GIANG (P) KILLED THREE HOA HAO CIVILIANS AND TWO POLICE-MEN ON FEB 28. GVN CONCILIATORY GESTURES -- INCLUDING A VN\$200,000 SOLATIUM PAYMENT -- APPEAR TO HAVE CONVINCED MOST HOA HAO THAT THE INCIDENT WAS REGRETTABLE ACCIDENT RATHER
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THEN EVIDENCE OF A HARDENING GVN POLICY.

TWO SEPARATE NEWSPAPER ACCOUNTS REPORT THAT THE MINISTER OF INTERIOR LE CONG CHAT AND OTHER HIGH LEVEL GVN OFFICIALS INCLUDING MR-4 COMMANDER MG NGUYEN KHOA NAM AND ASSISTANT TO THE MINISTER OF DEFENSE TON THAT CHUC FLEW TO AN GIANG ON MAR 9 FOR A MEETING WITH HOA HAO LEADERS. (COMMENT: CONGEN LOCAL EMPLOYEE IN THE PROVINCE CONFIRMED THAT MG NAM AND MINISTER CHAT DID VISIT THE PROVINCE CHIEF BUT CAN NEITHER CONFIRM NOR DENY MEETING WITH HOA HAO LEADERS. IF SUCH A MEETING DID TAKE PLACE, IT WOULD BE THE FIRST PUBLIC GVN RESPONSE TO REPEATED HOA HAO OVERTURES FOR RECONCILIATION SINCE THE CRACKDOWN ON THE BAO AN BEGAN ON JANUARY 29.)

F. RVN LOWER HOUSE MEMBERS TO VISIT US

A DELEGATION OF SIX LH DEPUTIES IS SCHEDULED TO VISIT US FOR A WEEK OR TEN DAYS STARTING MAR 12 TO DO LOW PRESSURE LOBBYING (SAIGON 2495). WE UNDERSTAND THAT, AS WITH THE RECENT RVN SENATORIAL DELEGATION, THEIR PROGRAM IS BEING WORKED OUT BY AMBASSADOR PHUONG.

G. PRIME MINISTER DEFUSES CONFRONTATION WITH CAMBODIANS IN VINH BINH

PRIME MINISTER HKIEM HAS STEPPED IN TO DEFUSE SITUATION IN VINH BINH PROVINCE WHERE GVN'S PROGRAM OF PICKING UP DRAFT DODGERS AND DESERTERS POSING AS CAMBODIAN MONKS HAS RUN INTO SERIOUS OPPOSITION. DESPITE GENERAL SUCCESS IN OTHER HEAVILY CAMBODIAN PROVINCES, THE GVN'S CRACKDOWN IN VINH BINH (AND TO A FAR LESSER EXTENT IN BAC LIEU) HAS MET WITH STIFF RESISTANCE INVOLVING AT LEAST SIX KILLED AND SCORES OF WOUNDED SINCE FEB 19.

FOLLOWING A LARGE SCALE DEMONSTRATION ON MAR 1 DURING WHICH TWO MONKS WERE KILLED AND TWO MORE SERIOUSLY WOUNDED, THE VINH BINH PROVINCE CHIEF AGREED TO RELEASE AS LEGITIMATE MONKS 29 OF THE 152 DETAINEES. WHILE THE CAMBODIAN COMMUNITY LED BY SENIOR MONKS OF BOTH THE ACTIVIST THERAVADA AND OFFICIALLY RECOGNIZED KHMERANIKAY SECTS AGREED TO REFRAIN FROM FURTHER DEMONSTRATIONS, THE SITUATION REMINED TENSE.
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ON FEB 10, PM KHIEM PRESIDED OVER A MEETING IN SAIGON ATTENDED BY MR-4 COMMANDER MG NGUYEN KHOA NAM, VINH BINH PROVINCE CHIEF LTC NGUYEN VAN SON, FOUR LOWER HOUSE DEPUTIES FROM VINH BINH, AND LEADERS OF THE KHMERANIKAY SECT. (COMMENT: THE GVN HAS CONSISTENTLY REFUSED TO DEAL AT THE SAIGON LEVEL WITH LEADERS OF THE MORE ACTIVIST THERAVADA SECT.) PM KHIEM REPORTEDLY STATED THAT HE HAD NOT ORDERED RAIDS ON PAGODAS AND PROMISED THEY WOULD STOP.

FURTHER, HE REPORTEDLY SAID A DELEGATION FROM HIS OFFICE WOULD VISIT VINH BINH ON MARCH 13 TO REVIEW THE DRAFT STATUS OF ALL "MONKS".

(COMMENT: CAMBODIANS HAVE TRADITIONALLY BEEN LESS COOPERATIVE WITH VIETNAMESE AUTHORITIES IN VINH BINH THAN IN OTHER AREAS, AND HEAVY COMMUNIST ATTACKS HAVE CREATED A GREATER INCENTIVE IN VINH BINH THAN ELSEWHERE FOR CAMBODIANS TO AVOID MILITARY SERVICE. NEVERTHELESS, PROVINCE CHIEFS OF OTHER HEAVILY CAMBODIAN AREAS HAVE PICKED UP MORE CONSCRIPTS WITH FAR LESS TROUBLE. LTC SON'S MALADROIT HANDLING OF THE SITUATION SEEMS TO HAVE GOTTEN HIM IN HOT WATER WITH HIS SUPERIORS, WHO ARE MANIFESTLY DETERMINED TO DEFUSE THIS INFLAMMABLE ISSUE.

WITH RF/PF AND ARVN MANPOWER SHORTAGES A GENERAL PROBLEM ACROSS THE DELTA, THE MORE THAN 6,000 CAMBODIAN CONSCRIPTS REPORTEDLY PICKED UP SO FAR REPRESENT A REAL GAIN FOR GVN. END COMMENT)

H. PRES THIEU MEETS WITH JAPANESE NEWSMEN

PRES THIEU MET ON MAR 5 WITH TWELVE REPRESENTATIVES OF JAPANESE NEWSPAPERS, NEWS AGENCIES, TELEVISION AND RADIO. ACCORDING TO OFFICIAL ACCOUNT, PRES COMMENTED INTER ALIA ON JAPANESE-SOUTH VIETNAMESE RELATIONS, THE PRESIDENTIAL ELECTION, CORRUPTION, THE "THIRD FORCE" AND US ASSISTANCE.

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SSO-00 /069 W

----- 011292

O R 121055Z MAR 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 3550

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

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ASKED WHETHER SVN WOULD SEVER RELATIONS WITH JAPAN IF JAPAN RECOGNIZED THE "PRG", THE PRES RESPONDED THAT DIPLOMATIC RELATIONS ARE BROKEN WITH COUNTRIES WHO GIVE SUCH RECOGNITION. IN INTERNATIONAL CONFERENCES, IF SVN CANNOT KEEP THE "PRG" OUT, THE SVN WALKS OUT.

PRES THIEU STATED THAT HE HAS NOT MADE UP HIS MIND WHETHER TO RUN FOR REELECTION, SAYING DECISION DEPENDS ON SVN ECONOMIC STABILITY, ON SUCCESSFULLY REPELLING COMMUNIST AGGRESSION AND ON SUCCESSFUL ADMINISTRATIVE REFORM.

ON THE QUESTION OF CORRUPTION, THE PRES NOTED THAT HE NEVER SAID HE WOULD ERADICATE CORRUPTION COMPLETELY BUT THAT HE WOULD WORK TO IMPROVE THE SITUATION AND THAT HE HAD INDEED TAKEN DRASTIC MEASURES WHICH HAD "GOOD IMPACT". HE ADDED THAT CORRUPTION IS UNAVOIDABLE IN A WAR-TORN COUNTRY INFLUENCED BY WORLD ECONOMIC CRISIS WHERE SALARIES ARE MODEST. HE HIMSELF HAS NO CASTLES, NO HOUSES IN FRANCE, SWITZERLAND OR ANY FOREIGN COUNTRY, HE SAID.

PRES THIEU SAID THE SO-CALLED THIRD ELEMENT IS A PRODUCT OF THE FRENCH COLONIALISTS NOT THE FRENCH GOVERNMENT IN COLLUSION WITH COMMUNISTS. WHEN ASKED ABOUT THE THIRD FORCE IN SVN THE PRES REPLIED, "WHERE DO YOU SEE IT?" PRES THIEU STATED THAT GVN WILL IMMEDIATELY OBLIGE IF THE COMMUNISTS AGREE TO CHOSE HALF AND LET SVN CHOSE THE OTHER HALF OF A THIRD COMPONENT.

THE PRES, SPEAKING OF EXTERNAL ASSISTANCE, SAID THAT IF US ALLOWS COMMUNISTS TO TAKE OVER CAMBODIA, THE US IS THE LOSER AS WHO WOULD THEN BELIEVE IN US COMMITMENTS IF THE CONFIDENTIAL

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US ABANDONS ITS ALLIES. HE SUPPORTED US CONGRESSIONAL DELEGATION'S RECOMMENDATION THAT SEC KISSINGER BEGIN NEW NEGOTIATIONS WITH MOSCOW AND PEKING TO INSURE RESTRAINT AND REDUCTION OF AID TO HANOI. LATER, IN REGARD TO DETENTE, THIEU SAID US SHOULD USE ITS VAST LEVERAGE POWERS SUCH AS AID, TECHNOLOGY, TRADE AND FOOD TO DEMAND SOMETHING IN RETURN FROM COMMUNISTS.

I. ANOTHER CONGRESSIONAL VISIT

REPRESENTATIVE STEVE SYMMS, REP IDAHO, VISITED VIETNAM MAR 4-6 AS FOLLOW-ON TO SIX-PERSON CODEL. SYMMS MET PRES THIEU, MINISTER OF INTERIOR LE CONG CHAT, CHIEF OF JGS, GEN CAO VAN VIEN, 22ND DIVISION COMMANDER, BINH DINH PROVINCE CHIEF, AND REPRESENTATIVES OF THREE HOA HAO FACTIONS. ON OPPOSITION SIDE, SYMMS SPOKE WITH RADICAL OPPOSITIONIST MME

NGO BA THANH, PACM LEADER FR TRAN HUU THANH, AND MODERATE
OPPOSITIONISTS PROF NGUYEN NGOC HUY, CHINH LUAN PUBLISHER
DANG VAN SUNG, CATHOLIC LAY LEADER PROF NGUYEN VAN CHAU,
AND FORMER FOREIGN MINISTER TRAN VAN DO.

END CONFIDENTIAL

BEGIN UNCLASSIFIED

II. EXTERNAL

A. GVN PROTESTS ATTTACK ON BAN ME THUOT

MFA MARCH 10 ISSUED A COMMUNIQUE DENOUNCING NVA ATTACK ON BAN
ME THUOT AS "A NEW AND VERY GRAVE ESCALATION TAKEN BY COMMUNIST NORTH
VIETNAM IN ITS SCHEME OF SABOTAGING THE ENTIRE PARIS AGREEMENT."
MFA CALLED ON ICCS TO INVESTIGATE AND REPORT, CALLED ON PARTIES TO THE

ACT OF THE INTERRNATIONAL CONFERENCE ON VIETNAM TO CONSULT WITH A
VIEW TO DETERMINING REMEDIAL MEASURES, AND CALLED ON WORLD OPINION
TO CONDEMN THE "CRIMINAL ACTS OF THE COMMUNIST SIDE" AND TO SUPPORT
RVN AND TO ASSIST WAR VICTIMS.

B. GVN REACTION TO JAPAN-DRV AGREEMENT ON OPENING EMBASSIES

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JAPANESE MFA ANNOUNCED MARCH 6 THAT JAPAN WILL OPEN AN EMBASSY
IN HANOI APRIL 1. RVN MFA SPOKESMAN MARCH 8, COMMENTING ON THIS
DEVELOPMENT, REITERATED THAT RVN DID NOT OPPOSE ESTABLISHMENT OF
DIPLOMATIC TIES WITH HANOI BY ANY NATION WHICH HAS OFFICIAL
RELATIONS WITH RVN BECAUSE IN REALITY, PENDING REUNIFICATION, THERE
ARE TWO INTERNATIONALLY-RECOGNIZED ENTITIES IN VIETNAM: THE RVN AND
NORTH VIETNAM. SPOKESMAN ALSO ASSERTED DECISION MARKED A "BITTER
FAILURE" FOR COMMUNIST NORTH VIETNAM BECAUSE HANOI PREVIOUSLY HAD
DEMANDED THAT JAPAN ALONG WITH OTHER COUNTRIES SUCH AS CANADA AND
BELGIUM RECOGNIZE "SO-CALLED NLF" BEFORE ESTABLISHING EMBASSIES
IN HANOI. HOWEVER, SPOKESMAN CONTINUED, JAPAN AND OTHERS REJECTED
HANOI'S DEMANDS AND EVENTUALLY NVN PERMITTED ESTABLISHMENT OF
EMBASSIES WITHOUT GAINING ANY ADVANTAGE FOR "SO-CALLED NLF".
SPOKESMAN ALSO RECALLED FEBRUARY 20 STATEMENT BY JAPANESE FOREIGN
MINISTER THAT FOJ RECOGNIZED RVN AS ONLY LEGAL GOVERNMENT IN SVN.

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O R 121055Z MAR 75

FM AMEMBASSY SAIGON

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CINCPACFLT

USDAO SAIGON

AMEMBASSY LONDON

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III. ECONOMIC

A. PIASTER RATE ADJUSTMENT

EFFECTIVE MARCH 8, THE OFFICIAL EXCHANGE RATE MOVED TO UN\$725/US\$1. THE CIP REBATE REMAINS VN\$60/US\$1. THE DEVALUATION, SECOND OF THE YEAR, AMOUNTED TO 3.6 PERCENT OVER THE PREVIOUS RATE OF VN\$700/US\$1, WHICH HAD BEEN IN EFFECT SINCE JANUARY 21. CUMULATIVE DEVALUATION IN 1975 HAS BEEN 5.8 PERCENT.

B. PRIVATE AGRICULTURE BANK OPENS

THE PRIVATELY-OWNED AGRICULTURAL BANK OF VIETNAM (NGAN HANG NONG DOANH VIETNAM) OPENED ITS SAIGON HEADQUARTERS MARCH 10. THE BANK HAS AN INITIAL CAPITALIZATION OF VN\$800 MILLION, SUBSCRIBED BY 13 COMMERCIAL BANKS, 20 OTHER CORPORATIONS, AND PRIVATE INDIVIDUALS.

THE AGRICULTURAL BANK'S DIRECTOR GENERAL IS FORMER ECONOMY MINISTER PHAN KIM NGOC, WHO BEGAN ORGANIZING THE BANK SHORTLY AFTER LEAVING THE GOVERNMENT IN FEBRUARY 1974. THE BANK WILL ACCEPT DEPOSITS AND PROVIDE OTHER COMMERCIAL BANKING SERVICES, BUT ITS LENDING ACTIVITY WILL BE CONCENTRATED IN SUPPORT OF AGRICULTURE. NGOC INTENDS NOT ONLY TO PROVIDE PRODUCTION CREDIT BUT ALSO TO FINANCE THE PROCESSING, MARKETING, AND DISTRIBUTION OF AGRICULTURAL COMMODITIES. THE GOVERNMENT-CONTROLLED AGRICULTURE DEVELOPMENT BANK AND THE AFFILIATED RURAL BANKING SYSTEM HAS CONCENTRATED MAINLY ON SHORT-TERM PRODUCTION CREDIT FOR FARMERS.

C. WORLD BANK TEAM DUE IN SAIGON

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AN ECONOMIC SURVEY TEAM FROM THE WORLD BANK (IBRD) IS EXPECTED TO ARRIVE IN SAIGON LATER THIS WEEK TO BEGIN THREE WEEKS OF CONSULTATION WITH THE GVN. THE TEAM WILL BE HEADED BY MR MANFRED BLOBEL, CHIEF OF IBRD REGIONAL MISSION IN BANGKOK. THE VISIT FOLLOWS ON THE HEELS OF AN IMF TEAM WHICH COMPLETED ITS STAY IN LATE FEBRUARY. THE IBRD DISCUSSIONS WILL FOCUS ON ECONOMIC DEVELOPMENTS IN 1974 AND THE GOVERNMENT'S RECONSTRUCTION AND DEVELOPMENT PROGRAM FOR 1975. IT WILL PREPARE A REPORT FOR A PLANNED MEETING OF AID DONORS TO VIETNAM. IT WILL ALSO CONSIDER DEVELOPMENT FINANCING FOR VIETNAM.

D. RETAIL PRICE INDEX UP

FOLLOWING THREE WEEKS OF DECLINE, THE SAIGON WEEKLY CONSUMER PRICE INDEX, AS MEASURED BY USAID, GAINED 1 PERCENT ON MARCH 10. A 9 PERCENT JUMP IN THE SUGAR PRICE WAS THE MOST IMPORTANT FACTOR, AS THE GOVERNMENT CRACKDOWN ON SMUGGLING CONTINUES TO LIMIT SUPPLY FOR HOUSEHOLD COMSUMPTION. THE DRAMITIC RISE IN THE SUGAR PRICE RELATIVE TO OTHER PRICES HAS GIVEN SUGAR A GREATER WEIGHT IN THE INDEX THAN IT HAD N THE BASE PERIOD OF 1971. WITHOUT THIS WEEK'S INCREASE IN SUGAR, FOR EXAMPLE, THE OVERALL INDEX WOULD HAVE GAINED ONLY 0.4 PERCENT.

MEDIUM QUALITY RICE PRICES WERE ALSO UP 1 PERCENT, ALTHOUGH RICE PRICES REMAIN 2-3 PERCENT BELOW THEIR END-'74 LEVEL. THE OVERALL INDEX HAS RISEN 4.1 PERCENT IN 1975. MOST OF THAT INCREASE HAS OCCURRED IN THE FOOD CATEGORY WHICH HAS GAINED 5.8 PERCENT. MEASURED OVER THE LAST TWELVE MONTHS, THE INDEX IS US 24.6 PERCENT.

3. DOLLAR AND GOLD UP SLIGHTLY

BLACK MARKET DOLLAR RATES ROSE FROM VN\$793/US\$1 TO VN\$800/US\$1 AS OF MARCH 10, REACTING TO THE OFFICIAL DEVALUATION TWO DAYS PREVIOUS. GOLD QUOTES IN SAIGON ALSO ROSE SLIGHTLY TO US\$178.32 PER TROY OUNCE EQUIVALENT (FIGURED AT BLACK MARKET DOLLAR RATE).
LEHMANN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RECOGNITION, FOREIGN RELATIONS, POLITICAL SITUATION, COMBAT OPERATIONS, ECONOMIC REPORTS, CODELS, GOVERNMENT REACTIONS, ELECTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Film Number: D750086-0788
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750358/aaaabzye.tel
Line Count: 681
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY SAIGON'S MISSION WEEKLY FOR MAR 6 - 12, 1975 WEEKA ITEMS
TAGS: PINR, PINS, PINT, MILI, PFOR, VS, JA, CB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006